

The Matter of Modifications of the Street Railway Franchises in Richmond

To the Chairman and Members of the Subcommittee of the Committee on Streets of the Richmond City Council:

On December 6, 1909, the Virginia Railway and Power Company, as successor to the Richmond Passenger and Power Company and the Richmond Traction Company, by acquisition of the properties and franchises of those companies at foreclosure sale, presented to the Common Council of the city of Richmond a petition setting out the desirability of certain modifications in the present franchises of the street railways of this city and asking for a reference to a proper committee in order that the officers of this company might confer with that committee with respect to such proposed modifications.

The petition was duly referred to the Committee on Streets, which subsequently referred the same to this subcommittee.

The company now desires to present for the consideration of the subcommittee certain suggestions as to the modifications to the existing franchises in the particulars which will be hereinafter more fully set forth.

The several modifications which are believed to be desirable and which will be suggested to your committee will be presented in detail.

I.

EXTENSION OF THE TERM OF THE EXISTING FRANCHISES.

The railways in this city are operated under three franchises granted by the Council of the city:

(a) Franchise of the Richmond Traction Company, approved August 28, 1895, which expires by limitation on the 1st day of January, 1925;

(b) The franchise of the Richmond Passenger and Power Company, approved December 23, 1899, which expires by limitation on the 1st day of January, 1931;

(c) The franchise of the Westhampton Park Railway Company, covering only the right to cross the city boulevard, approved August 17, 1901, which expires unlimited as to duration, but is subject to revocation by the Council.

The present Constitution of this State permits the granting by municipal councils of franchises for the use or occupation of the streets for a period not exceeding thirty years.

It is obviously to the advantage of the city to have all the franchises within its corporate limits expire on the same date, as it gives a greater value to any new franchise to be granted at the expiration of the period and prevents complications with respect to existing companies.

In the recent reorganization through foreclosure sale of the properties in this city, it was necessary to place upon the properties a new mortgage to secure the new issue of bonds to provide for the acquisition of the property under the plan of reorganization, and for future betterments, extensions and improvements. For well understood financial reasons it was found impracticable to place a bond which matured in a shorter period than twenty-five years from the date of the full mortgage, and even a bond of this maturity is not as popular as one for a longer period.

The bonds secured by this mortgage expire on July 1, 1934, which is beyond the period of the existing franchises. This fact not only proved a difficulty in connection with the reorganization, but will be a constant obstacle to the sale of bonds for improvements at reasonable prices, and if these bonds have to be sold at a large discount the company is thereby required to pay a higher rate of interest for money necessary for extensions and improvements, with a corresponding increase in the burdens upon the property and indirectly upon the public served, from which the revenue must be derived.

For these reasons, it would seem obvious that an extension of the limit of possible expiration of the franchise for a period of thirty years from 1910 would be to the advantage of the community and of the company. In fact, the operation of street railways in a community of this kind is a necessary part of its life, and if the city retains such reasonable control over these operations as to insure a good service to the public at reasonable cost, then a long primary franchise, which enables the company to raise money on most advantageous terms to extend its lines and improve its service, is to the great benefit of the public, while it can have no injurious effect.

In addition to these considerations the existing franchises, granted at different times and inconsistent in some of their provisions, are a source of embarrassment and difficulty in the operation of the properties, and the consolidation of these franchises into one new blanket franchise, would combine and drive greatly the convenience of the public and economy and efficiency in the management.

It is believed that these modifications in existing franchises and extension to the limit of expiration can best be accomplished by an entirely new franchise, conditioned upon the surrender of those now existing. If a new franchise is granted all of the existing railway franchises in the city can be surrendered subject only to certain small underlying divisional mortgages securing real estate bonds to an aggregate amount not exceeding \$775,000, of which \$600,000 par value are in the sinking funds and first mortgage principal account, bill in arrears actually outstanding \$657,000. The new mortgage gives authority to the company, with the consent of the trustee, to surrender these existing franchises and as an exchange for a new general franchise.

II.

CHANGES IN TRACKAGE AND ROUTES.

The electric railway system in this city is the result of the consolidation of a number of small lines and the competitive conditions existing at various stages in the development of the system, and especially from 1896 to 1903, the building of the construction of mileage far in excess of the requirements of the public, many tracks being directly parallel only one block apart. Much as this trackage is unnecessary for the public service, resulting in an excessive mileage with corresponding obstructions to traffic and burdens upon the primary community served. It is believed that by a rearrangement of trackage and the routing of cars to meet the existing conditions, a better service can be rendered and some of the present waste in operation avoided.

Attached hereto will be found two maps showing the proposed changes. Map No. 1 shows in black the track which it is proposed to remove, and in red and blue the remaining trackage and proposed new trackage, with the entire system of trackage as they will be if the proposed rearrangement is effected. Map No. 2 shows in different colors, as indicated thereon, the proposed routes of the street railway lines to be operated on the tracks as so arranged.

[NOTE.—As it is impossible to print the accompanying maps in colors in the present issue, Map No. 1 herewith, on page 6, shows Existing Tracks, and Map No. 2, on page 7, shows Tracks as proposed.]

Briefly stated, the tracks which it is suggested be removed in the revision of the trackage are as follows:

(1) On account of the change in the loop at the Reservoir terminal, change will not the eastern track of the loop from Strawberry to Elm Street, which change ought not been requested by the city authorities, it is proposed to remove the following trackage:

(a) A single track on Strawberry Street from Beverly to Main Street;

(b) A single track on Beverly Street from Elm to Strawberry Streets.

(c) On account of suggested change in the Clay Street Line and rerouting of cars, it is proposed to remove the following tracks:

(a) A double track on Harrison Street from Main Street to Park Avenue;

(b) One of the tracks on Clay Street from Fifth Street to Seventh Street, other to remain;

(c) One of the tracks on Seventh Street from Clay Street to Broad Street, other to remain;

(d) On account of the suggested change in the Hollywood loop, which would consolidate the present trackage of the Richmond Traction Company and the Richmond Passenger and Power Company into one loop, it is proposed to remove the following tracks:

(a) A single track on Cary Street from Cherry to Harrison;

(b) A single track on Harrison Street from Cary to Beverly;

(c) A single track on Beverly Street from Harrison to Cherry;

(d) One of the tracks on Cherry Street from Beverly to Albemarle, allowing the other to remain;

(e) A single track on Albemarle Street from Cherry to Laurel;

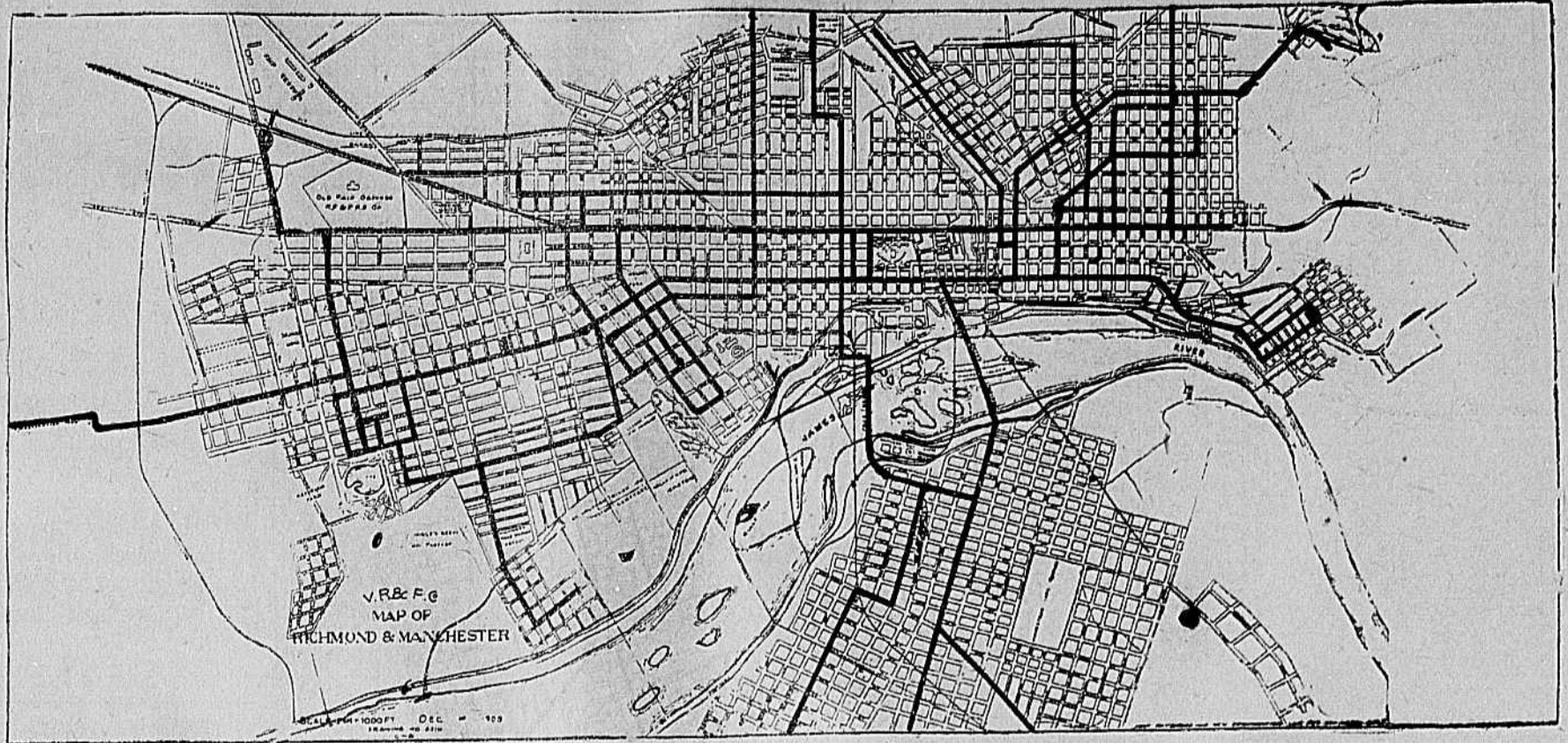
(f) A single track on Laurel Street from Albemarle to Cumberland;

(g) A double track on Laurel Street from Cumberland to Cary;

(h) A single track on Cumberland Street from Laurel to Cherry.

The removal of this trackage and the construction of a single track on Cary Street from Cary to Albemarle, as hereinafter indicated, would give an unobstructed and complete loop in this territory in the place of the two parallel tracks now existing.

On account of changes in the Oakwood and Broad Street and Oakwood Main Street lines, as shown on Map No. 2 attached, it is proposed to re-



MAP No. 2—PRESENT TRACKAGE OF RICHMOND LINES

move the following tracks:

(a) A double track on Cary Street from Pine to First;

(b) A double track on First Street from Cary to Broad;

(c) Remove one track on Eighth Street from Main to Broad, allowing the other to remain.

(d) On account of the proposed change in the Highland Park line, it is proposed to remove the following tracks:

(a) A single track on Baker Street from Fifth to Seventh;

(b) A single track on Seventh Street from Baker to Leigh;

(c) A double track on Seventh Street from Leigh to Clay;

This, with the construction of the new track as hereinafter stated on Fifth Street, from Baker to Broad, would make a loop around Fifth, Broad, Seventh and Clay Streets, which would promote the convenience of the public, facilitate the operation of cars and reduce the congestion on the streets.

(e) On account of the rearrangement of tracks on Church Hill to prevent duplication of lines on parallel tracks, it is proposed to remove the following tracks:

(a) A double track on Broad Street from Twenty-first to Twenty-fourth;

(b) A double track on Twenty-fifth Street from Broad to Marshall;

(c) A single track on Church Hill Avenue from Marshall to M Street;

(d) A single track on Twenty-ninth Street from Broad to M;

(e) Remove one track on M Street from Twenty-fifth to Twenty-ninth and allow the other to remain;

(f) A double track on M Street from Twenty-ninth to Thirty-first;

(g) A double track on Thirty-first Street from M to Q.

The removal of these tracks, with the construction of the new trackage as hereinafter indicated and as shown by the map aforesaid, would tend to serve more conveniently the public in that territory, and eliminate much surplus mileage.

(f) On account of the lines abandoned, it is proposed to remove the following tracks:

(a) A single track on Ashland Street from Meadow to Elm;

(b) A single track on Elm Street from Ashland to Beverly.

This trackage has never been operated except on a few occasions in the summer when the Clay Street line was carried through to the Reservoir, but with the rearrangement of tracks proposed it would not be needed and should be removed from the streets.

III.

NEW TRACK TO BE CONSTRUCTED IN PROPOSED REARRANGEMENT.

1. On account of change at Reservoir terminal loop:

A single track on Elm Street from Beverly to Main. This track takes the place of the present track on Strawberry Street by the rearrangement of the Reservoir loop.

2. On account of the extension of the Broad and Main line:

Construct a double track on Park Avenue from Harrison Street to Hanover Street, and thence along Hanover Street to Robinson Street, connecting with the present tracks on Robinson Street. This track is needed to furnish transportation facilities to the people in Lee District, between Broad and Main Streets.

3. On account of the change in Oakwood and Laurel lines:

Construct a new track on Cherry Street from Cary to Cumberland, completing the rearranged loop in that territory.

4. On account of the change in the Highland Park line and Clay Street line:

Construct a new single track on Fifth Street from Baker to Broad, thus completing the loop via Fifth, Broad, Seventh and Clay Streets.

5. On account of the proposed changes in the Broad and Main line and Broad and Twenty-fifth line, construct:

(a) A single track on Marshall Street from Twenty-first to Twenty-fourth;

(b) A double track on Marshall Street from Twenty-fourth to Twenty-fifth.

All of the above changes in trackage are fully shown on the maps numbered 1 and 2, hereto attached, to which reference is made.

The construction of other new lines has, from time to time, been suggested to the management of the company. The present suburban trackage of the company is excessive as compared with its urban trackage, and much of the present mileage is operated at an actual loss. While it is the purpose of the company to so extend its lines as to encourage municipal growth and to meet the demands of new communities, it is not believed that the traffic in any community not conveniently reached by existing lines is sufficient to warrant the heavy expenditure for new construction or to make possible the operation of new lines without heavy loss.

IV.

CHANGES IN ROUTES.

With the rearrangement of trackage above indicated, convenience to the public, as well as in operation of the system, would be best accomplished by routing the east and west, or trunk line, cars as follows:

1. Main Street Line.—The cars to be operated as at present, except the change in the loop at the Reservoir and the route to be from the Reservoir via Mulberry, Beverly, Elm, Main, Lester and Louisiana Streets, Williamsburg Avenue and Denny Street.

2. Broad Street Line.—The cars to be operated from the Reservoir to Twenty-ninth and P Streets via Robinson, Beverly, Elm, Main, Robinson, Broad, Twenty-first Street, Marshall, Twenty-fifth Street, M Street, Twenty-ninth Street, P Street to Twenty-fifth Street to M Street.

3. Broad and Main Line.—Cars to be operated from the Reservoir to Chimborazo Park via Robinson, Beverly, Elm, Main, Robinson, Hanover, Park Avenue, Harrison, Broad, south on Eighth to Main, along Main to Twenty-ninth, along Twenty-first to Marshall, along Marshall to Twenty-fourth, along Twenty-fourth to Broad, along Broad to the terminal, and back along the same route, except that the cars go north from Main to Broad Street along Ninth Street.

4. Oakwood-Hollywood Line.—Consolidating the present schedule of the Oakwood and Main, Oakwood and Broad and Laurel Street lines, cars to be operated from Hollywood to Oakwood Cemetery via Cherry, China, Pine, Cary, Laurel, Broad, south from Broad to Main on Eighth, along Main to Eighteenth, Eighteenth to Venable, along Venable to Q, along Q to Oakwood Avenue and along Oakwood Avenue to the terminal, returning via the same route, except to go northward from Main to Broad along Ninth Street.

5. Cary Street Line.—Cars to be operated from the corner of Hancock and

Clay Streets to the corner of Twenty-eighth and Main Streets via Clay, Fifth to Broad, east on Broad to Seventh, along Seventh to Main to Twenty-eighth, returning via the same route, except going north from Broad to Clay along Seventh, thence west along Clay Street.

6. Highland Park Line.—Cars to be operated from Highland Park to Seventh and Broad Streets, coming from Highland Park along Fifth Street to Broad, east on Broad to Seventh, north on Seventh to Clay, west on Clay to Fifth, and out Fifth to Highland Park.

The routes indicated are clearly shown on the accompanying Map No. 1, in different colors, and explained on the map, and it is believed that a study of these routes will demonstrate the convenience to the public which would result from the rearrangement of the routes indicated. These proposed routes are submitted for the information of the committee, though it is not believed that they should be embodied in franchise provisions, as the shifting of population requires constant changes in routes to meet the changing conditions.

V.

SCHEDULES OF CARS.

The present franchises contain provisions fixing the schedule or headway of the cars. Experience in this community, as well as in other cities, has demonstrated that it is impossible to fix the schedule or headway of cars to serve the convenience of the public for any great period of time. A schedule which would be sufficient for one period of the day is inadequate for other periods when the travel is much heavier. At the present time the company is, at certain periods of the day, operating a schedule far in excess of the ordinance requirements, the headway at certain times being as frequent as two minutes to take care of the condensed travel, while at other times the ordinance requirements are very much in excess of the demands of the traffic. It is suggested, therefore, that the ordinance requirements on this subject be changed so as to require as much service as the traffic reasonably warrants. Such a provision would leave in the city government the power to require an adequate and reasonable service if at any time the company did not furnish such a service.

VI.

TAXATION.

The present franchise ordinances under which the lines formerly owned by the Richmond Passenger and Power Company and Richmond Traction Company, respectively, are operated, contain the following provisions with respect to municipal franchise taxes in the nature of compensation for the use of the streets:

RICHMOND PASSENGER AND POWER COMPANY.

3 1/2 per cent. on the gross receipts from traffic up to \$350,000;
5 per cent. on gross receipts from traffic in excess of \$350,000 up to \$450,000;
7 per cent. on the gross receipts from traffic in excess of \$450,000 up to \$550,000;
10 per cent. on gross receipts from traffic in excess of \$550,000.

RICHMOND TRACTION COMPANY.

2 1/2 per cent. on gross receipts from traffic up to \$200,000;
5 per cent. on gross receipts from traffic in excess of \$200,000 up to \$300,000;
7 per cent. on gross receipts from traffic in excess of \$300,000 up to \$400,000;
10 per cent. on gross receipts from traffic in excess of \$400,000.

In addition to the taxes on gross earnings as compensation for the use of the streets the companies are subject to a State franchise tax of 1 per cent. on gross transportation receipts, and are taxed on real and personal property for State and city purposes, at the same rate as the property of individuals except that the property of the company is assessed by the State Corporation Commission.

There are certain other services imposed upon the companies by ordinances or furnished to the city by agreement which are in the nature of a tax as follows:

(a) The obligation to pave and keep in repair the streets between the tracks and two feet on either side, which cost the company in the year 1909 approximately \$20,000;
(b) Sprinkling the streets, which cost in the year 1909 \$4,719;
(c) Free transportation to members of Fire and Police Departments, estimated cost of which in the year 1909 is \$8,650;
(d) Free lighting to police and fire houses, which cost in the year 1909 \$3,391.30.

Under this system of taxation these companies paid to the city of Richmond in the year 1909 taxes on property and railway earnings as follows:
On real and personal property.....\$31,154.99
On railway earnings.....49,975.42
Total.....\$81,130.41

Other charges:
Street paving and repairs (approximate).....\$20,000.00
Sprinkling streets.....4,719.00
Free transportation to policemen, firemen and officers.....8,650.00
Free lighting.....2,391.30
Total.....\$35,760.30

Total.....\$116,890.71

In addition to these taxes and charges, the companies are required by the franchises to sell tickets between the hours of 6 and 7 in the morning at 2 1/2 cents each and to sell school tickets at the same rate. By careful computation it has been ascertained that the operating loss on this traffic within the city of Richmond at the rate of 2 1/2 cents per passenger is \$18,849.03 per annum, this loss being in the nature of a special privilege tax imposed for the benefit of persons enjoying these rates, making the total taxes and charges paid by this company to the city of Richmond \$155,739.74, or an amount equal to 13.58 per cent. of the gross railway earnings within the city of Richmond for the year 1909, not including State and Federal taxes; while the entire taxes paid by the company for the year 1909, including State and Federal taxes for the entire territory and including the special charges and loss on special tickets above indicated, amounted to the aggregate sum of \$157,391.01.

It is obvious from these figures that the taxation upon the street railways